

# **Community Assistantship Program**

## **Greater Cass Lake Area Tourism Impact Analysis**

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# **Greater Cass Lake Area Tourism Impact Analysis**

Prepared in partnership with the Cass Lake Tourism Partnership  
and the Tourism Center of the University of Minnesota Extension Service

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## Executive Summary

By all measures, tourism is a dominant industry in the Greater Cass Lake area. The literature shows that measuring the impact of tourism on an area is very difficult. Greater Cass Lake's rural location, proximity to the regional hub Bemidji and the lack of common geographical and jurisdictional boundaries make analyzing the area even more difficult. Clearly, there is no way to determine the precise impact of tourism on any area, much less an area such as Greater Cass Lake, however, the data in this report give concrete evidence that tourism plays a very significant role in the local economy.

Using existing wage and employment data as a proxy for the local economy, the percentage of the local economy that is based on tourism related industries was calculated for the three counties in which Greater Cass Lake lies, Beltrami, Cass and Hubbard county. Assuming that the Greater Cass Lake area looks most like Cass County and less like Beltrami and Hubbard Counties, we extrapolated the averages for the three counties to find that 50 percent of all employment and 40 percent of all wages paid in the Greater Cass lake area are in tourism dominated industries.

Estimating the percentage of the local economy using wage and employment data is a concrete, fast and inexpensive way to measure the impact of tourism. However, with wage and employment data, it is impossible to separate the impact of local versus tourist spending, so any conclusions made based on this data must take that into consideration. However, we know through a recent survey done for this project that Cass Lake Chamber of Commerce members rely heavily on tourism for the majority of their business. So the actual amount of the local economy that is due to tourism is probably only slightly less than the 50 and 40 percent.

This report looks at the annual average impact of tourism on the Greater Cass Lake Area. Employment and wage data used for the analysis is collected monthly, so seasonal changes are recorded. However, the impact of tourism calculated for this report is annual, which is an average of the monthly employment and wage reports.



## Introduction and Background

According to Dan Erkkila, Interim Director of the University of Minnesota's Tourism Center, determining the percentage of the local economy that is made up of tourism is the "\$64,000 question." The Cass Lake Chamber of Commerce needed a concrete answer to this question, and applied to the Community Assistantship Program (CAP) at the University of Minnesota for a student researcher to find an answer.

The area represented by the Cass Lake Chamber of Commerce has a high concentration of lakes, federal forest land and tourism related businesses. Informally, it is understood that tourism is one of the area's dominant industries. However Dan Evans, the Director of the Cass Lake Partnership, whose partners include the Cass Lake Chamber of Commerce, Leech Lake Band of Ojibwe, U.S. Forest Service, City of Cass Lake, and Pike Bay Township, was interested in quantifying the impact that tourism has on the area.

There were several elements that went into answering the question of tourism's impact on the Greater Cass Lake area's economy. The initial CAP assistant conducted a survey of members of the Chamber of Commerce to get a sense for their reliance on tourism. The results of all efforts are discussed in the following report. The second CAP assistant first did a brief review of the literature for a sense of the basic issues surrounding the research question. For a local perspective and some practical guidance on performing an economic analysis, the second CAP assistant consulted with Dan Erkkila, and Kent Gustafson, Extension Educator and Instructor at the University of Minnesota's Tourism Center. Dan Erkkila has extensive experience in this area and was able to provide specific guidance on which data to use and how best to analyze and present the data. Finally, a general ranking of employment in all industries was calculated to give a sense for the overall makeup of the economy in the three counties.

## Survey of Chamber Members

A survey was sent out during the fall of 2002 to the more than 80 members of the Cass Lake Area Chamber of Commerce to gauge the importance of tourism to their business. The Chamber estimates that about 60 to 70 percent of all businesses in the area are members of the Chamber. Thirty eight surveys were returned and tallied for this analysis.

The survey results showed that tourism is very important to the majority of businesses that responded to the survey. Eighty five percent of businesses that responded to the survey said that tourism is either very important to their business or somewhat important (74% and 11% respectively). A smaller number said that they rely on tourism for the majority of their gross annual sales (58%) and 42% rely on tourism for less than half of their gross annual sales.

Most of the businesses that returned the survey are ones that naturally would focus on tourism. Twenty-nine percent of respondents were lodging businesses, 11% were restaurants and 13 percent were attraction or entertainment oriented businesses. Most of the businesses that responded to the survey were open year round (63%).

Some minor problems with the survey include a lack of clear definition of tourism, the exact percentage of the businesses in the area that were surveyed and definitions for the importance of tourism to the business. Even so, the results give us a sense for how important tourism is to some of the local businesses.

## Key Economic Impact Concepts from the Literature Review

Due to some technical and administrative difficulties in the previous semester, time was in relatively short supply for this CAP project. For a quick review of the basic concepts on economic impact analysis, Kent Gustafson of the Tourism Center at the University of Minnesota recommended a review of the links to the Tourism Center's web page. All articles reviewed were from the Michigan State University's web page, which included extensive, easily accessible information on estimating the economic impacts of tourism.

(<http://www.tourism.msu.edu/>) The dominant author of the articles was Daniel Stynes, a well known researcher on the topic from Michigan State University.

Several concepts central to determining the economic impact of tourism on a local area were identified through the literature review. Some of these issues raised questions about the feasibility of an economic impact study for the Greater Cass Lake area.

### *Defining the region of study is critical*

A clear geographical definition of the study area is essential to the success of the analysis. Defining the region makes clear who are tourists and who are not -- a necessary distinction for determining whom to include in the research. The study area should be a distinct tourism destination, so that the effects of other areas do not distort results.

If one wants to use national data from studies such as the Census or the Bureau of Labor Statistics, the smallest jurisdiction for which this kind of data is collected is the county level. So, ideally the study area would roughly be included within county boundaries.

According to the guidelines presented in the literature, defining the study area for the Greater Cass Lake area is problematic. The area crosses several jurisdictions including three counties, a national forest service, an Indian Reservation and several towns. The close proximity to Bemidji, a regional center could skew the results because it surely has some impact on tourist behavior and spending in Greater Cass Lake.

### *Calculating Impact*

The literature presented a standard equation for calculating impact of tourism for impact studies that use original research. The standard equation for calculating impact is as follows:



Economic impact = number of visitors \* average spending per visitor \* multiplier

One can arrive at all three of the inputs to the equation in any number of ways, including a survey of visitors, existing data from previous surveys or an estimation by an expert based on familiarity with the area. Any one of the three is perceived by the industry to be fairly legitimate, though none gives a precise answer with regard to the impact of tourism on a local economy. As Dan Erkkila said about estimating tourism's economic impact, "this is more art than science."

Multipliers are used to estimate the secondary effects of tourism -- not direct spending by tourists, but spending by tourism intensive businesses, such as a laundry service that serves resorts. Multipliers are said to be very difficult to calculate, and not always essential to understanding the impact of tourism on a local economy. This element of the equation is therefore optional.

Spending and visitors must be recorded precisely. It is recommended that fairly small categories be used to record spending in order to give reliable, useful information about how visitors spent their money. Useful categories include lodging, food and beverages, transportation, recreation and shopping. Data on individuals is preferred over parties because it is generally more precise. Trips must also be defined - data by visitor party day or night is recommended over data on an entire trip in order to capture the most accurate data possible. Trips generally begin when the visitor leaves their home (or temporary residence) and ends when they return there.

## A Practical Solution

Dan Erkkila frequently performs economic impact analyses in rural Minnesota, and is also very familiar with the Greater Cass Lake area because he used to live in the area offered a practical solution to the problems presented by the area. He recommended that we analyze wage and employment data in key industry codes to determine the economic impact of tourism.

Dan said that there is no way to measure the impact of tourism with 100 percent certainty. However, a calculation of the total wages and employment in tourism dominated industries as well as the percentage of the total economy that these industries represent will provide indisputable evidence on the significance of tourism to the local economy. Approaching the problem through existing wages and employment in the Greater Cass Lake area circumvents some of the problems raised by the methods presented in the literature, particularly the problem of proximity to a regional center.

Since the area we are interested in covers three different counties, Dan recommended calculating the impact of tourism on each of the three counties and estimating the impact of tourism on Greater Cass Lake utilizing those percentages.

### *Methodology*

Data on employment and wages in Beltrami, Cass and Hubbard counties was downloaded from the Bureau of Labor Statistics website for the year 2001. The data comes from the Covered Employment and Wages Program (ES-202), which is the main source of industry employment and wage data for the Federal Government. The ES 202 survey is conducted by individual states and reported to the Bureau of Labor Statistics at the national level. The survey reports number of employees and wages based on the industry in which they work. The North American Industry Classification System (NAICS) has replaced the well known Standard Industry Classification (SIC) system as of 2001.

Since every employer that is covered by unemployment insurance must reply to this survey, it is considered to be a "virtual census" of employment and covers approximately 97 percent of all employed persons in the country. People excluded from this survey include "the self-employed, many workers in the agricultural sector, railroad transportation workers, employees of religious organizations, and students employed in work-study situations" as well as employees of Native American tribal owned casinos. (Hine, MN Department of Economic Security)

### *Data Limitations*

The survey collects data from nearly all employers, but is restricted from reporting data to the public that could be used to identify individual businesses or establishments. These limitations often present a problem in studying rural areas like the counties in which we are interested. There were four key areas where data from ES 202 were not available because of data privacy issues, and so estimates were made and included in a separate analysis. Those industries or employers included Museums, Historical Sites and like institutions, Tribal gaming casinos and related businesses, federal forestry employees and a small segment of the retail industry for one year in Cass County. For clarity, Table 1 includes data directly from the ES 202 database with no additional estimations added. Table 2 includes estimations of the employment in the above described areas where ES 202 data were not available. Appendix 1 gives a full description of how each of the estimations was made.

## Tourism Industries Analyzed

Tourists typically impact an economy in fairly specific ways, according to Dan Erkkila. They shop, purchase food and lodging and patronize attractions. In the employment and wage data analysis, we gauge the impact of tourism on the local area based on the number of people that the businesses in these tourism oriented industries employ. Dan Erkkila provided a list of the industries that are typically included in a tourism impact analysis study (Figure 1). (Note: For a more complete description of what types of businesses are included in each industry, see Appendix 2.)

Employment and wage data from the ES 202 survey for the following tourism related industries was gathered for each of the three counties.

**Figure 1: Tourism Industries included in study.**

NAICS Code	Description
Retail	
446	Health and personal care (e.g. drug stores)
447	Gas stations
448	Clothing and clothing accessories
451	Sporting goods, hobby, books and music
452	General merchandise
453	Miscellaneous store retailers
Attractions	
712	Museums, historical sites
713	Amusements, gambling, recreation industries
Accommodations	
721	Accommodations
Eating and Drinking	
722	Food service and drinking places

### *Methodology*

Total impact of tourism on the local economy using ES 202 employment and wage data was examined in two different ways. The first analysis uses only the exact data reported in the ES 202 survey (Table 1). A second analysis includes estimates from secondary sources and interviews with local establishments in

place of the missing data that was not reported in the ES 202 survey due to data privacy issues (Table 2).

In order to estimate the percent of the local economy that is due to tourism, the total employment and wages from tourism related industries (From Figure 1 above) is divided by the total employment and wages for all privately owned employers. Total employment and wages from employers that are privately owned is used to estimate the impact of tourism because tourism related industries are most often privately owned establishments. The impact of tourism is likely underestimated in the first analysis (Table 1) because of the missing data from key industries as described above.

The second analysis, Table 2, includes estimates where data was not reported including NAICS industry 712 Museums, historical sites and like institutions; Native American owned casinos and related operations (including Casino hotels, gift shops etc) as well as Federal Forest Service employees. Estimates for Health and personal care stores (NAICS Code 446) for Cass County were also estimated because the data was not reported in 2001 due to data privacy concerns. See Appendix 1 for a full description of the explanation and source of each of the estimated figures. To calculate the percentage of the economy that is based on tourism, the additional employment and wages were added to the totals for private ownership so that percentages were not artificially inflated.

#### *Limitations of the Analysis*

With any of the data reported in Table 1 or 2, it must be noted that the figures include spending by local residents as well as tourists. Any conclusions drawn from the numbers must take local spending into consideration.

We have no way to estimate exactly what portion of the tourism industry is due to local versus tourist spending, however, the survey of the Chamber of Commerce members summarized previously gives us some indications. The majority of businesses that responded to the survey said that they rely on tourism for the majority of their gross annual sales (58%) and only 42% of respondents said that they rely on tourism for less than 50% of their gross annual sales. Given these results, it is probably safe to assume that at least half of tourism related businesses rely on tourism for at least half of their gross annual sales.

**Table 1: Annual Employment and Payroll in Tourism Related Industries**

NAISC		Average	
Code	Beltrami County	Employment	Payroll
446	Health & personal care stores	95	1,948,680
447	Gasoline stations	277	3,722,798
448	Clothing & clothing accessory stores	125	2,027,655
451	Sporting goods, hobby, book & music stores	88	842,580
452	General merchandise stores	529	7,216,262
453	Miscellaneous store retailers	220	3,736,602
	Total Retail	1,334	\$19,494,577
712	Museums, historical sites & like institutions	0	0
713	Amusement, gambling, recreational industries	149	1,459,693
	Total Attractions	149	1,459,693
721	Accommodations (hotels, etc. except casinos)	307	2,970,860
	Total Accommodations	307	2,970,860
722	Food services and drinking places	1,268	11,234,975
	Total Food services and drinking places	1,268	11,234,975
	Total, Private ownership only	12,301	\$279,413,000
	Total, Tourism related industries	3,058	\$35,160,105
	Percent in tourism related industries	24.86%	12.58%

NAISC		Average	
Code	Cass County	Employment	Payroll
446	Health & personal care stores	0	0
447	Gasoline stations	219	2,615,281
448	Clothing & clothing accessory stores	49	518,947
451	Sporting goods, hobby, book & music stores	51	950,539
452	General merchandise stores	37	425,082
453	Miscellaneous store retailers	151	1,787,909
	Total Retail	507	\$6,297,758
712	Museums, historical sites & like institutions	0	0
713	Amusement, gambling, recreational industries	1,170	20,365,360
	Total Attractions	1,170	20,365,360
721	Accommodations	792	12,062,834
	Total Accommodations	792	12,062,834
722	Food services and drinking places	686	6,238,490
	Total Food services and drinking places	480	5,008
	Total, Private ownership only	5,446	\$99,393,000
	Total, Tourism related industries	2,949	\$38,730,960
	Percent in tourism related industries	54.15%	38.97%



Table 1 continued.

NAISC Code	Hubbard County	Average Employment	Payroll
446	Health & personal care stores	64	969,880
447	Gasoline stations	131	1,543,637
448	Clothing & clothing accessory stores	19	129,560
451	Sporting goods, hobby, book & music stores	17	147,220
452	General merchandise stores	77	836,674
453	Miscellaneous store retailers	63	791,347
	Total Retail	371	\$4,418,318
712	Museums, historical sites & like institutions	0	0
713	Amusement, gambling, recreational industries	114	1,968,709
	Total Attractions	114	1,968,709
721	Accommodations	239	2,424,173
	Total Accommodations	84	1752
722	Food services and drinking places	444	3,495,294
	Total Food services and drinking places	395	3,788
	Total, Private ownership only	5,118	\$116,926,000
	Total, Tourism related industries	964	\$6,392,567
	Percent in tourism related industries*	18.84%	5.47%

Source: Bureau of Labor Statistics, 2001 Covered Employment and Wages Data.

<http://www.bls.gov/cew/home.htm>.

\* Note: Totals are off because some data was not reported for data privacy reasons for some industries.

**Table 2: Estimated Annual Employment and Payroll in Tourism Related Industries**

NAISC		Average	
Code	Beltrami County	Employment	Payroll
446	Health & personal care stores	95	1,948,680
447	Gasoline stations	277	3,722,798
448	Clothing & clothing accessory stores	125	2,027,655
451	Sporting goods, hobby, book & music stores	88	842,580
452	General merchandise stores	529	7,216,262
453	Miscellaneous store retailers	220	3,736,602
	Total Retail	1,334	19,494,577
712	Museums, historical sites & like institutions**	14	177,237
713	Amusement, gambling, recreational industries	149	1,459,693
	Native American casinos & casino related establishments.***	1,100	25,612,534
	Federal Forest Service****	29	1,452,700
	Total Attractions	1,292	28,702,165
721	Accommodations (hotels, motels and all other accommodations)	307	2,970,860
	Total Accommodations	307	2,970,860
722	Food services and drinking places	1,268	11,234,975
	Total Food services and drinking places	1,268	11,234,975
	Total, Private ownership (plus estimated data added)	13,444	\$306,655,472
	Total, Tourism related industries	4,201	\$62,402,577
	Percent in tourism related industries	31.25%	20.35%

NAISC		Average	
Code	Cass County	Employment	Payroll
446	Health & personal care stores*	24	684,021
447	Gasoline stations	219	2,615,281
448	Clothing & clothing accessory stores	49	518,947
451	Sporting goods, hobby, book & music stores	51	950,539
452	General merchandise stores	37	425,082
453	Miscellaneous store retailers	151	1,787,909
	Total Retail	531	6,981,779
712	Museums, historical sites & like institutions**	10	253,581
713	Amusement, gambling, recreational industries	1,170	20,365,360
	Native American casinos & casino related establishments.***	1,200	27,940,947
	Federal Forest Service****	95	4,842,520
	Total Attractions	2,475	53,402,408
721	Accommodations (hotels, motels and all other accommodations)	792	12,062,834
	Total Accommodations	792	12,062,834
722	Food services and drinking places	686	6,238,490
	Total Food services and drinking places	480	5,008
	Total, Private ownership (plus estimated data added)	6,775	\$133,114,069
	Total, Tourism related industries	4,278	\$72,452,029
	Percent in tourism related industries	63.14%	54.43%

Table 2 continued.

NAISC		Average	
Code	Hubbard County	Employment	Payroll
446	Health & personal care stores	64	969,880
447	Gasoline stations	131	1,543,637
448	Clothing & clothing accessory stores	19	129,560
451	Sporting goods, hobby, book & music stores	17	147,220
452	General merchandise stores	77	836,674
453	Miscellaneous store retailers	63	791,347
	Total Retail	371	4,418,318
712	Museums, historical sites & like institutions**	3	76,074
713	Amusement, gambling, recreational industries	114	1,968,709
	Native American casinos & casino related establishments.***	0	0
	Federal Forest Service****	0	0
	Total Attractions	117	2,044,783
721	Accommodations (hotels, motels and all other accommodations)	239	2,424,173
	Total Accommodations	84	1752
722	Food services and drinking places	444	3,495,294
	Total Food services and drinking places	395	3,788
	Total, Private ownership (plus estimated data added)	5,121	\$117,002,074
	Total, Tourism related industries	967	\$6,468,641
	Percent in tourism related industries	18.88%	5.53%

Source: Bureau of Labor Statistics, 2001 Covered Employment and Wages Data.

<http://www.bls.gov/cew/home.htm>.

\* Data for Cass County Health and Personal Care Stores was not reported in 2001. Data from the 2000 ES 202 survey was increased by 3 percent for inflation and used as an estimate here.

\*\* Data shown for NAICS 712 Museums, historical sites and like institutions is estimated based on conversations with historical societies, Chambers of Commerce and people who run individual establishments in each of the three counties. The data was not reported in the original source for the data due to data privacy issues. Payroll figures used were averages for this industry statewide in 2001 as reported by the Minnesota Department of Economic Security.

\*\*\*Native American casinos & related establishments. Includes estimates of employment and wages of Native American owned casinos and related establishments based on secondary data.

\*\*\*\*Federal Forest Service. These figures are for actual Full Time employment and payroll for 2003 from Dennis Parker at the Chippewa National Forest. Since some full time positions are not filled and some seasonal workers are not included, this is a good approximation of annual employment.

Final totals include all private ownership plus estimates added to the table.

### *Discussion of Results*

Tourism related jobs make up a significant portion of the total jobs in each of the three counties regardless of how the data was examined. In the first analysis, which included only the actual ES 202 data, nearly 25 percent of employment in Beltrami County is concentrated in tourism industries. In Cass, over 54 percent of local employment is due to tourism industries. In Hubbard County, nearly 19 percent of the local employment is due to tourism.

In the second analysis where estimates were added for missing data in key industries, the percentages of the economy due to tourism were even greater. Thirty one percent of Beltrami's employment was in tourism related businesses. In Cass, over 63 percent of employment was due to tourism. In Hubbard, nearly 19 percent of employment was due to tourism related industries.

Tourism industries tend to pay lower wages, and so in each analysis, the percentage of all the wages paid in the tourism related businesses were slightly lower than the percentage of total employment in tourism industries. Percentage of total employment in tourism related industries might also be skewed by the fact that part time employees covered by unemployment insurance are also included in the ES 202 survey data. Many tourism related jobs are seasonal or part time year round.

### **How Much to Attribute to the Greater Cass Lake Area?**

The Greater Cass Lake area covers parts of all three counties analyzed. Because it is not its own county, the total impact of tourism on the area must be extrapolated based on the characteristics of each of the three counties and how much the area resembles those counties. Certainly, most of Greater Cass Lake is located in Beltrami County, but the area is much more representative of Cass County because it has a high percentage of its land covered by lakes, forest service land and the Leech Lake Indian Reservation. The area seems to resemble Hubbard County the least since Hubbard has no casinos, reservations or national forest service land and a significantly smaller percentage of Hubbard County land mass is covered by lakes. The Greater Cass Lake area resembles Hubbard County in that it has no large population centers.

Taking the following considerations into account, the impact of tourism in the Greater Cass Lake area was calculated by taking a weighted average of the three counties with Cass County weighted at .65, Beltrami County weighted at .20 and Hubbard County weighted at .15. Weights were selected by Dan Evans, Director of the Cass Lake Partnership who is most familiar with the area.

Weighted average is an average that takes into account the proportional relevance of each component, rather than treating each component equally. (Rodney Powell, <http://www.beyondtechnology.com/tips011.shtml>) Using these weights and the employment and wage totals from the second analysis that include estimates for missing data, the tourism percentage of the economy of Greater Cass Lake area is estimated at about 50% based on employment figures or 40% based on total wages paid (Table 3).

**Table 3: Weighted Averages for Greater Cass Lake Area**

	Average Employ- ment	Payroll	Weight for GCLA*	Weighted Average Employment	Weighted Annual Payroll
<b>Beltrami County</b>					
Total, Private ownership (plus estimated data added)	13,444	\$306,655,472			
Total, Tourism related industries	4,201	\$62,402,577			
Percent in tourism related industries	31%	20%	20%	6%	4%
<b>Cass County</b>					
Total, Private ownership (plus estimated data added)	6,775	\$133,114,069			
Total, Tourism related industries	4,278	\$72,452,029			
Percent in tourism related industries	63%	54%	65%	41%	35%
<b>Hubbard County</b>					
Total, Private ownership (plus estimated data added)	5,121	\$117,002,074			
Total, Tourism related industries	967	\$6,468,641			
Percent in tourism related industries	19%	6%	15%	3%	1%
<b>Greater Cass Lake Area Total</b>				<b>50%</b>	<b>40%</b>

Source: Bureau of Labor Statistics, 2001 Covered Employment and Wages Data.  
<http://www.bls.gov/cew/home.htm>.

\*Greater Cass Lake Area weights selected based on how closely the area resembles the characteristics of each county.

Totals shown here include estimates for missing data as presented in Table 2. See explanations for estimations in Table 2 and Appendix 1 of this report.

## Ranking of Other Industries

To get a sense for the importance of other industries in the three county area, employment and wages from the ES 202 survey were ranked for the ten major industry categories for the three counties (Table 4). Since tourism industries include retail spending as well as the Leisure and Hospitality industry, a new category was created to reflect where tourism specific industries would rank among other industries. Appendix 2 shows the smaller industry segments that are included under these larger NAICS segments. This table uses only ES 202 data with no additional estimations added.

What the rankings show is that Tourism related industries are one of the top three industries in each of the three counties, even without some of tourism's major employers excluded due to data privacy issues. These figures clearly show what a large role tourism plays in Cass County. Not only is tourism the number one industry in Cass, but other industries that presumably could support or be caused by tourism also rank high such as Trade, Transportation and Utilities, Construction and Financial Activities.

Education and Health Services is also consistently in the top three industries for each county. Other important industries vary significantly by county. Manufacturing is most significant to Hubbard County. Beltrami is strongest in Trade, Transportation and Utilities as well as Construction and Manufacturing.



**Table 4: Industry Ranking by Total Wages for Three Counties in 2000**

NAICS Industry Title	Total Wages	Average Number of Establishments	Average Employment	Average Weekly Wage
<b>Beltrami County</b>				
Education and Health Services	\$147,731,340	135	4,903	\$579
Trade, Transportation and Utilities	\$76,058,109	311	3,760	\$389
Tourism related industries*	\$46,232,387	345	4,637	\$251
Construction	\$42,503,935	142	1,306	\$626
Manufacturing	\$32,946,424	59	1,427	\$444
Leisure and Hospitality	\$17,460,698	125	1,859	\$181
Professional and Business Services	\$14,297,184	104	572	\$481
Financial Activities	\$14,017,971	90	586	\$460
Other Services	\$10,747,578	94	664	\$312
Information	\$9,391,582	18	316	\$572
Natural Resources and Mining	\$1,848,236	21	74	\$479
Total, All Industries	\$409,260,203	1,155	16,954	\$464

<b>Cass County</b>				
Tourism related industries*	\$56,566,091	336	3,825	\$292
Education and Health Services	\$46,480,022	53	1,681	\$532
Leisure and Hospitality	\$36,325,666	171	2,585	\$270
Trade, Transportation and Utilities	\$26,079,818	212	1,497	\$335
Construction	\$12,384,297	116	488	\$488
Financial Activities	\$7,950,962	53	334	\$458
Manufacturing	\$6,986,036	42	333	\$403
Professional and Business Services	\$6,962,567	76	280	\$478
Other Services	\$2,812,319	56	257	\$211
Information	\$2,696,566	7	129	\$402
Natural Resources and Mining	\$1,387,640	19	66	\$407
Total, All Industries	\$187,979,590	853	9,084	\$398

<b>Hubbard County</b>				
Manufacturing	\$40,256,113	35	1,328	\$583
Education and Health Services	\$35,034,954	38	1,284	\$525
Tourism related industries*	\$21,122,958	668	2,060	\$255
Trade, Transportation and Utilities	\$19,595,890	143	1,118	\$337
Construction	\$10,239,039	78	375	\$525
Leisure and Hospitality	\$8,297,172	97	820	\$195
Natural Resources and Mining	\$7,995,169	30	303	\$508
Public Administration	\$6,642,808	26	269	\$474
Financial Activities	\$4,553,127	30	180	\$488
Professional and Business Services	\$2,629,944	51	165	\$307
Other Services	\$2,408,329	34	228	\$203
Information	\$1,310,288	8	59	\$425
Total, All Industries	\$138,962,833	571	6,130	\$436

Table 4 continued.

Source: Minnesota Department of Economic Security. ES 202 Covered Employment and Wages, 2000.

<http://data.mnwfc.org/lmi/es/> Accessed May 15, 2003.

\*The Tourism Related Industries category is a created category which includes NAICS Codes 446, 447, 448, 451, 452, 453, 712, 713, 721, 722, which are the main tourism related industries per the Minnesota Tourism Center.

## Appendix 1: Explanations for Table 2 Estimated Data

### *Casino Employment*

Casino employment includes employment for all casino related enterprises including Hotels, gift shops and gaming. The total casino employment in Cass and Beltrami Counties were estimated differently. For Cass, data was conveyed through Dan Evans via a 2000 OEDP/CIDS report he had received from the Leech Lake Band of Ojibwe, which was updated for the U. S. Economic Development Administration.

For casino employment in Beltrami County, figures from a June 2000 Minnesota Employment Review report from the Minnesota Department of Economic Security was used. David Hengel, the Economic Director of the Headwaters Regional Development Commission confirmed that the figure of 1100 was fairly accurate. He knew of no more current source of employment data for Red Lake casino employment.

Average weekly wage for Casino employees was estimated at \$448 based on the report on Casino Gaming in the MN Economic Trends article from the MN Department of Economic Security (July/ August 2002). There are no Native American owned casinos in Hubbard County.

### *Estimations for Beltrami County NAICS Code 712 Museums*

The CAP Assistant contacted Wanda Hoyum who is the Director at the County Historical Museum. She said she has two full time employees. She also said that the only other museum in the county is the Science Center. I contacted Laddie, the Executive Director at the Science Center and she said they have four full time employees (only two of whom are paid) and between six and eight part time employees year round. She gave me the exact payroll for 2002 from their 2002 tax forms, which was \$126,521. Wage estimations for this category include the exact figures from the science center and an estimation for the two full time employees of the Historical Society based on state averages from the Minnesota Department of Economic Security.

### *Estimations for Hubbard County NAICS Code 712 Museums*

The CAP Assistant contacted the county historical society and museum as well as the regional chamber of commerce. There are three museums in Hubbard County; however, one is staffed by volunteers and the other two share one full time employee. The historical and art museums also share two part time employees that work on the weekends.

Appendix 1 continued.

*Estimations for Cass County NAICS Code 712 Museums*

The Cass County Historical Society and Museum was not yet open for the season, however, the Leech Lake Chamber of Commerce said they have only one employee. The Leech Lake Chamber also said the Minnesota Fishing Hall of Fame is a large attraction and has approximately two employees. The Moondance Ranch is a private zoo and attraction that employs approximately five people on a seasonal basis. Paul Bunyan Animal Land, another private zoo in Beltrami County, has three employees.

*Estimations for Federal Forest Employees*

Dennis Parker of the Chippewa National Forest provided Federal Forest land employment and wage data. The data he gave was actual data for full time employment and wages for 2003. Parker said these figures reflect actual employment on an annual basis. Some of the full time positions were not filled, but the seasonal workers were not included in the totals, which Parker said compensated for those vacancies giving a good estimate of employment by the Federal Forest Service.

*Cass County NAICS Industry 446 Health and Personal Care Stores*

Data for this industry was not reported in 2001, but was reported in the 2000 ES 202 survey. The 2000 data was increased by three percent for inflation and included in Table 2.

## Appendix 2: NAICS Industry Codes

NAICS Code 446 includes the following:

- Health and personal care stores
- Pharmacies and drug stores
- Cosmetic and beauty supply stores
- Optical goods stores
- Other health and personal care stores
- Food, health, supplement stores
- All other health and personal care stores

NAICS Code 447 includes the following:

- Gasoline stations
- Gasoline stations with convenience stores
- Other gasoline stations

NAICS Code 448 includes the following:

- Clothing and clothing accessories stores
- Clothing stores
- Men's clothing stores
- Women's clothing stores
- Children's and infants' clothing stores
- Family clothing stores
- Clothing accessories stores
- Other clothing stores
- Shoe stores
- Jewelry, luggage, and leather goods stores
- Jewelry stores
- Luggage and leather goods stores

NAISC Code 451 includes the following:

- Sporting goods, hobby, book and music stores
- Sporting goods and musical instrument stores
- Sporting goods stores
- Hobby, toy, and game stores
- Sewing, needlework, and piece goods stores
- Musical instrument and supplies stores
- Book, periodical, and music stores
- Book stores and news dealers
- Book stores
- News dealers and newsstands
- Recorded tape, CD, and record stores

## Appendix 2 Continued

NAICS Code 452 includes the following:

- General merchandise stores
- Department stores
- Department stores, except discount
- Discount department stores
- Other general merchandise stores
- Warehouse clubs and supercenters
- All other general merchandise stores

NAICS Code 453 includes the following:

- Miscellaneous store retailers
- Florists
- Office supplies, stationery, and gift stores
- Office supplies and stationery stores
- Gift, novelty, and souvenir stores
- Used merchandise stores
- Other miscellaneous store retailers
- Pet and pet supplies stores
- Art dealers
- Manufactured, mobile, home dealers
- All other miscellaneous store retailers
- Tobacco stores
- Store retailers not specified elsewhere

NAICS Code 712 includes:

- Museums, historical sites, zoos, and parks
- Museums
- Historical sites
- Zoos and botanical gardens
- Nature parks and other similar institutions

NAISC Code 713 includes:

- Amusements, gambling, and recreation
- Amusement parks and arcades
- Amusement and theme parks
- Amusement arcades
- Gambling industries
- Casinos, except casino hotels
- Other gambling industries
- Other amusement and recreation industries



## Appendix 2 Continued

- Golf courses and country clubs
- Skiing facilities
- Marinas
- Fitness and recreational sports centers
- Bowling centers
- All other amusement and recreation industries

### NAICS Code 721 includes:

- Accommodation
- Traveler accommodation
- Hotels and motels, except casino hotels
- Casino hotels
- Other traveler accommodation
- Bed-and-breakfast inns
- All other traveler accommodation
- RV parks and recreational camps
- RV parks and campgrounds
- Recreational and vacation camps
- Rooming and boarding houses

### NAICS Code 722 includes:

- Food services and drinking places
- Full-service restaurants
- Full-service restaurants
- Full-service restaurants
- Limited-service eating places
- Limited-service restaurants
- Cafeterias
- Snack and nonalcoholic beverage bars
- Special food services
- Food service contractors
- Food service contractors
- Caterers
- Mobile food services
- Drinking places, alcoholic beverages